



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/993,072	11/13/2001	Steven C. Halper	97171-00006	7208
27614 7590 03/17/2009 MCCARTER & ENGLISH, LLP NEWARK FOUR GATEWAY CENTER 100 MULBERRY STREET NEWARK, NJ 07102				
EXAMINER				
APPLE, KIRSTEN SACHWITZ				
ART UNIT		PAPER NUMBER		
3694				
MAIL DATE		DELIVERY MODE		
03/17/2009		PAPER		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary**Application No.**

09/993,072

Applicant(s)

HALPER ET AL.

Examiner

KIRSTEN S. APPLE

Art Unit

3694

Period for Reply -- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 01 December 2008.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 29-40 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 29-40 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
- Paper No(s)/Mail Date: _____

- 4) ☐ Interview Summary (PTO-413)
- Paper No(s)/Mail Date: _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

Detailed Action

This action is in response to the application filed on 12/1/08.

Claim Rejections - 35 USC § 112

The Examiner has read and reviewed all of the information provided by the Applicant.

The examiner rejects as final.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 29-36 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

In particular it is indefinite and the examiner did not understand:

“predatory lending laws”

It is unclear to the examiner and one of ordinary skill in the art what is claim by this description. Laws are constantly changing and what might be within variance today may not be within variance tomorrow. A similar 112 rejection would hold for an IEEE standard or the like.

The applicant argued that specification is full of examples – this is the problem there are lots of example so one would not know what one from what date this claim is referring it.

Corrective action is required.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 29-40 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

In order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

Examiner finds these method claims lack structure such as on a "computer readable medium". The examiner notes that the preamble states "a computer-implemented method" but without structure in the limitations this references in the preamble is insufficient. One example of corrective action might be to place "electronically" before an action verb and "on computer (or other appropriate structure)."

For example in the claim:

"Method comprising:

Calculating a score

Assigning rank..."

Would need to become:

"Method comprising:

Electronically calculating a score on a processor...

Electronically assigning rank on a processor..."

This is just one elementary example to provide guidance however there may be various ways to overcome the 101 method without changes to the invention.

Claim Rejections - 35 USC § 102

The Examiner has read and reviewed all of the information provided by the Applicant. The examiner withdraws the rejection of claims 29-40 under 35 USC 102.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims listed below in this section are rejected under 35 U.S.C. 103(a) as being unpatentable over R Broadbent (US Patent 6,985,886) in view of Kottmeier (U.S. Patent 7,406,442)

Re claim 29: Broadbent discloses:

A computer-readable medium, steps of:

Receiving information pertaining to the one or more loans (see Broadbent, figure 2, item 226)

Storing general loan information (see Broadbent, figure 2, item 223)

Comparing the information for each loan to a plurality of leading laws and to the general loan information to detect one or more variances there between, each variance having a certain degree (see Broadbent, figure 5, item 523); and

Scoring each variance based upon the degree thereof, whereby knowledge of the predatory lending laws on behalf of a user of the system is not required (see Broadbent, figure 5, item 550)

Calculating a total risk score for each loan based on scored variances (see Broadbent, Column 6 & 7 & column 8, line 10-26 + Figure 4B, item 445 & 440 + column 17),;

Monitory and Reporting (see Broadbent, Column 6 & 7 & column 8, line 10-26, specifically line 23, it is inherent that a "monitor and report" would including a score which is simply a way of reading or interpreting the information monitored and reported)

Although Broadbent does not have risk score or category, Kottmeier claims "Risk score or category" as the claims have

Calculating a total risk score for each loan based on scored variances

Assigning a risk category to the loan based on the total risk score

Displaying a total risk score and the risk category for each loan to a user of the system

Therefore it would have been obvious to one of ordinary skill in the art at the time the invention was made to modify Broadbent by adapting risk score or category of Kottmeier (see Kottmeier, Figure 4, item 4300).

It is clear that one would be motivated to provide increased flexibility.

Re claim 30: Broadbent discloses:

The processing means comprising means for comparing the loan information for each loan to one or more of the predatory lending laws applicable (see Broadbent, figure 5, item 523, specifically item 531, 533, 541, 535 & 539) to the loan and to the general loan information to detect one or more variances there between, each variance having a certain degree, and mean for scoring each variance based upon the degree thereof to determine a risk category for each

loan based on the sum of the scores for each detected variance associated therewith (see Broadbent, figure 5, item 550 and figure 4B, item 437, 438 & 440).

Re claim 31: Broadbent discloses:

Notifying a user of the system when one or more variances are detected (for fraud) (see Broadbent, figure 4B, item 238)

Re claim 32: Broadbent discloses:

Means for displaying one or more steps needed to resolve each detected variance, and wherein the notification means further comprises notifying the user of each detected variance and the one or more steps needed to resolve it (see Broadbent, figure 4B, item 440).

Re claim 33: Broadbent discloses:

Means for tracking the status of each detected variance associated with each loan (see Broadbent, figure 4B, item 440)

Re claim 34: Broadbent discloses:

Predatory lending laws include at least one of a city, county and state law (see Broadbent, figure 5, item 531)

The loan information includes a city, county and state in which each loan is to be closed, and the processing means further comprises:

Means for identifying the city, county and state associated with each loan (see Broadbent, figure 5, item 501), and

Means for applying the predatory lending laws of the identified city, county and state to the loan information for each loan (see Broadbent, figure 5, item 531)

Re claim 35: Broadbent discloses:

Processing means further comprises means for detecting fraud in connection with the loan based on the detected variances (see Broadbent, figure 5, item 523)

Re claim 36: Broadbent discloses:

System is web-enabled

(see Broadbent, figure 5 “xml”)

Re claim 37: Broadbent discloses:

reporting the risk category for each loan to a user of the system. (see Broadbent, Column 6 & 7 & column 8, line 10-26, specifically line 23, it is inherent that a “monitor and report” would including a score which is simply a way of reading or interpreting the information monitored and reported + Kottmeier, Figure 4, item 4300 see claim 29)

Re claim 38: Broadbent discloses:

wherein the step of displaying the risk category for each loan comprises displaying a pass status indicator to a user if the sum of the scores falls within a first score range. (see Broadbent, Column 6 & 7 & column 8, line 10-26, specifically line 23, it is inherent that a “monitor and report” would including a score which is pass, fail or additional information ranking, particularly in view of column 10 line 1-69 specifically line “status communications” a pass, fail, more work is inherent in this statement as well as in column 17, line 1-69 specifically line 63-64 “determine where the loan originator can originate this loan” + Kottmeier, Figure 4, item 4300 see claim 29))

Re claim 39: Broadbent discloses:

wherein the step of displaying the total risk score and the risk category for each loan comprises assigning a high risk status indicator to a user if the sum of the scores falls within a

second score range. (see Broadbent, Column 6 & 7 & column 8, line 10-26, specifically line 23, it is inherent that a “monitor and report” would including a score which is pass, fail or additional information ranking + Kottmeier, Figure 4, item 4300 see claim 29))

Re claim 40: Broadbent discloses:

wherein the step of displaying the total risk score and the risk category for each loan comprises assigning an investigate status indicator to a user if the sum of the scores falls within a third score range. (see Broadbent, Column 6 & 7 & column 8, line 10-26, specifically line 23, it is inherent that a “monitor and report” would including a score which is pass, fail or additional information ranking + Kottmeier, Figure 4, item 4300 see claim 29))

Response to Arguments

Applicant's arguments filed 12/1/08 have been fully considered but they are not persuasive.

In particular, the Applicant argued 1st that 112 2nd was not proper.

The Examiner refutes the argument made by the Applicant and draws the attention to “predatory lending laws.” The applicant explained that “laws” was the genus. The examiner would like to explain that one law such as “CRA law” or “consumer protection law” or “x law” would be rejected under 112 2nd because laws change over time therefore they can not be claim because if the law changes again the claim would be invalid. However claiming “predatory lending laws” has two problems – 1) a law can not be claimed and 2) since there is an “s” on law - which predatory lending law. This case was discussed internally in an interview with Robert Weinhardt, the patent office internal expert on 112 and 101 issues, who confirmed the examiners position.

Applicants argued 2nd, prior art fails to show calculating, assigning and displaying the risk score and category.

This argument is moot in view of the new reference Kottmeier.

Contact Information

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Kirsten S. Apple whose telephone number is 571.272.5588. The examiner can normally be reached on Monday - Friday 9:00-5:30.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on 571-272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-272-6126.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

ksa

/Kirsten S Apple/
Primary Examiner, Art Unit 3694